

Program Guidelines

For Community Housing Development Organization (CHDO) Operating Grant Guidelines



State of Colorado
Department of Local Affairs
Division of Housing
Kathi Williams, Director

January 2008

Community Housing Development Organization (CHDO) Operating Grant Guidelines

TABLE OF CONTENTS

<u>Section Title</u>	<u>Page</u>
I. Summary-----	3
2. Certification -----	3
3. Application Process and Funding Priorities -----	3
4. Available Funding -----	3
5. Eligible uses of CHDO Operating Grant Funds -----	4
6. Resources -----	4
Appendixes	
A. CHDO Certification Checklist	
B. CHDO Business Plan SAMPLE	
C. CHDO Memorandum of Understanding (MOU)	
D. CHDO Certification Letter SAMPLE	

Community Housing Development Organization (CHDO) Operating Grant Guidelines

1. Summary

These guidelines provide the policies and standards for the management and funding of Community Housing Development Organization (CHDO) Operating Grants by the Colorado Division of Housing. These policies and procedures are based on HOME Program regulations and Colorado Division of Housing policies. It is the responsibility of the CHDO to understand and ensure compliance with these policies and procedures. It is the intent of these guidelines to create a consistent and equitable system to provide these operating grants to the CHDOs in Colorado.

2. Certification

In order to receive CHDO funds from the Colorado Division of Housing (DOH), a local housing organization must be formally certified by the DOH at the time of application for operating grants and CHDO eligible housing projects. In order to be certified as a CHDO, a local housing organization must:

- Meet all of the CHDO certification requirements per 24 CFR Part 92.208 (See Appendix A, CHDO Certification Checklist),
- Submit a business plan (See Appendix B, Business Plan Sample), and
- Enter into a Memorandum of Understanding (MOU) that states that the CHDO intends to use HOME CHDO set-aside funds to develop units of affordable housing within 24 months of the date of the agreement that specifies the expected uses for the funds (See Appendix C, CHDO Memorandum of Understanding document).
- The Colorado Division of Housing will provide a certification letter (See Appendix D, CHDO Certification Letter Sample) to each CHDO to confirm the organization's CHDO status upon review and approval of the documents listed in this section.

3. Application Process and Funding Priorities

The Colorado Division of Housing will accept applications for CHDO Operating Grants two (2) times a year: April 1st and October 1st. The Colorado Division of Housing will award CHDO Operating Grant funds on an as-needed basis taking into consideration five (5) priorities:

1. Representation in underserved areas
2. Response to community housing needs as identified by Housing Needs Assessments
3. Local Match provided
4. Established CHDOs that are continuing to add units to their portfolio
5. Demonstrate the capacity to complete the project(s) as outlined in the MOU.

The Colorado Division of Housing Loan/Grant Application will be used to request CHDO Operating Grant funds. Specific instructions for completing CHDO Operating Grant fund requests can be found as an attachment to the DOH Loan/Grant Application.

4. Available Funding

Community Housing Development Organizations may apply for CHDO Operating Grants and/or for funds from the HOME Program CHDO Project Set-Aside.

- Up to 5% of the DOH HOME Program allocation (or approximately \$440,000 in FY2007) may be awarded for CHDO Operating Grants to build capacity that will result in additional affordable housing units.
- HOME Program assistance for CHDO's operating expenses in each fiscal year may not exceed \$50,000 or 50% of the CHDO's total annual operating expenses for that year, whichever is greater.
- The Colorado Division of Housing sets aside 15 percent (approximately \$1,320,000 in FY2007) of the HOME Program allocation for CHDO Set-Aside Projects that result in affordable housing units.

5. Eligible uses of CHDO Operating Grant Funds

The following uses of CHDO Operating Grant funds are permitted (24 CFR Part 92.208)

- Salaries, wages, benefits, and other employee compensation
- Training and travel, resulting in increased capacity
- Administrative expenses
- Operating expenses, including rent and utilities
- Equipment, materials and supplies, including communication costs
- Taxes and insurance
- Homebuyer education

6. Resources

In addition to these Guidelines and Appendixes, The Colorado Division of Housing recommends that all active CHDOs and organizations considering CHDO status consult the following resource documents for more information concerning CHDO Operating Grant funds.

- Building HOME: A HOME Program Primer is available in Adobe Acrobat (PDF) format, which allows the document to be downloaded, viewed, and printed with all of its original formatting and graphics. Along with the Primer, you can choose to download a set of Companion PowerPoint Slides which are available in Microsoft PowerPoint format or in PDF format. These documents are available at: <http://www.hud.gov/offices/cpd/affordablehousing/library/building/index.cfm> .
- The Code of Federal Regulations (CFR) that concerns the HOME Program can be found at: http://www.gpo.gov/nara/cfr/waisidx_04/24cfr92_04.html .